**Contact:  Patrice Sayre**

## FY 2020 AUDIT PROGRESS AND FY 2021 INTERNAL AUDIT PLANS

**Action Requested:**  Receive and approve the progress reports for the universities' FY 2020 audit plans and approve the internal audit plans for FY 2021.

**Executive Summary:**  The Internal Audit department is an independent and objective assurance and advisory function designed to add value and improve Regent universities' operations. Internal Audit brings a systematic and disciplined approach to evaluating and improving the effectiveness of the organization's governance, risk management, and control processes. Internal Audit is dedicated to promoting and facilitating continuous improvement.

On an annual basis, in accordance with Audit and Compliance Committee policies, Internal Audit compiles and submits audit progress and future plans for the Regent universities. The plans are flexible and adjusted as needed to adapt to changes in the audit environment.

Our work is conducted and managed in accordance with The Institute of Internal Auditors' (IIA's) *International Professional Practices Framework*, which includes the core principles for the professional practice of internal auditing, the definition of internal auditing, the Code of Ethics, and the *International Standards for the Professional Practice of Internal Auditing (Standards)*.

We ensure that internal audit work supports the Regents' Strategic Plan:

- Priority 1: Ensuring Access to Education and Student Success - We provide input to help balance the need to protect the public universities, while giving academics the flexibility to use state-of-the-art technology in order to be innovative. Additionally, in general, the work Internal Audit does is a source of education for staff in all areas, about internal controls and compliance standards to protect all operations.

- Priority 2: Promoting and Supporting Innovation in Teaching, Research, and Economic Development - We perform audits of the research conducted at the universities to ensure compliance with regulatory requirements to help safeguard continued funding. We perform audits for the Offices of Sponsored Programs, as well as for research in colleges.

- Priority 3: Promoting Effective Use of Resources to Meet Institutional Missions - Through reviews of the design and testing of controls, we ensure that monies received and used for the universities are used for their intended purposes. Additionally, we assess the safeguarding, controls, and record-keeping of assets throughout the universities. Through our audit work, we help to ensure proper controls exist in the centralized and decentralized areas to safeguard the Regents' interests. We conduct investigations involving potential fraud and abuse of financial resources, make recommendations for correction of control deficiencies, and work with the Auditor of State in remediation and restitution.

The Annual Internal Audit Plan and Risk Assessment help provide the Audit and Compliance Committee with assurance that it is providing the necessary oversight over the quality and integrity of the accounting, financial reporting practices, system of internal controls, institutional management practices, and the direction of the internal auditing function.

Departmental Resources

The Internal Audit Department is comprised of a Chief Audit Executive, an Associate Director, three managers, three IT auditors (one position currently open), two senior auditors, six staff auditors and a departmental administrator.

Professional development is required for certifications. During FY 2020, staff held 20 certifications that required 40 to 60 hours of continuing professional education per person to maintain. Key areas of training included emerging audit issues, governance, risks and controls, information systems auditing, fraud, and compliance.

Audit Progress and Plans

In FY 2020, ISU's operations were negatively affected by a 6.5-month vacancy resulting in a loss of 840 audit hours. UNI continues to be under-served due to budget cuts; to address risk, an SUI IT Auditor assisted in the first IT audit done on that campus.

As university staff focused on crisis mitigation planning due to the COVID-19 pandemic, audit delays and adjustments to scope or testing steps occurred when face-to-face and on-campus observations could not be done. Auditors adapted and carried on working.

Following is a condensed table of the progress of the FY 2020 Audit Plans.

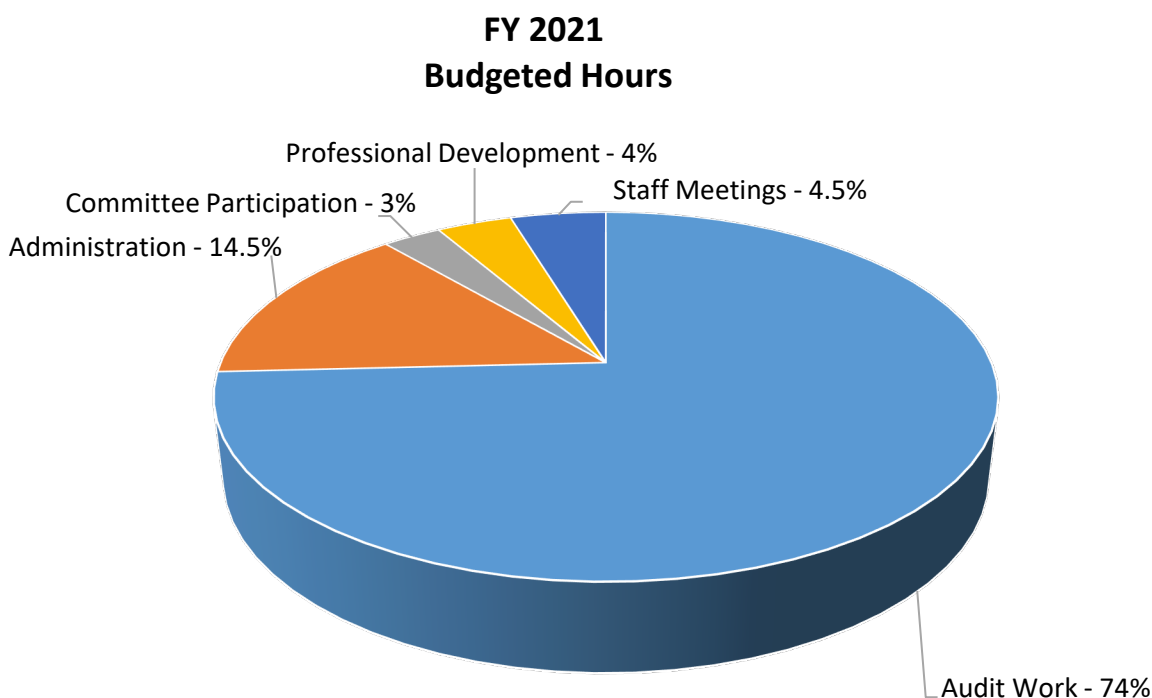| FY 2020 Progress | SUI | ISU | UNI | Total |
|---|---|---|---|---|
| **Audits:** | | | | |
| Original Audits Planned | 48 | 18 | 4 | 70 |
| Added During Year | 2 | 0 | 0 | 2 |
| **Totals** | **50** | **18** | **4** | **72** |
| | | | | |
| Completed | 27 | 5 | 3 | 35 |
| In Progress | 12 | 4 | 1 | 17 |
| Deferred | 6 | 7 | 0 | 13 |
| Cancelled | 5 | 2 | 0 | 7 |
| **Totals** | **50** | **18** | **4** | **72** |

The FY 2021 Audit Plans are proposed after extensive interviews across each campus with key leadership staff, reviewing past audit history, and surveying the current, nationwide audit landscape. Plans are then prepared using a risk-based approach to ensure that areas and activities specific to the Regent universities with the greatest impact are identified for consideration, while allowing for unannounced and unplanned engagements to allow for events that may transpire. The Auditor of the State and external auditors provide financial audit services, allowing Internal Audit to concentrate on unique operational audits.

The plans are based on available staff hours for 15 internal audit professionals with 26,824 available hours. The plans includes risk-based and requested audits (financial, operational, compliance, information technology), risk-based consulting reviews, follow-up audits, investigations, reserves for management requests, and other projects and initiatives as needed. Higher than normal unassigned audit hours are to allow for timely reaction to audit requests arising from pandemic-related changes in procedures and operations, or assistance to management.

The risk assessment performed for FY 2021 identified the following high risk areas:

- Effectiveness and efficiency of operational processes;
- Governance and regulatory compliance;
- IT governance, security and data protection, and data privacy;
- New and changed business operations;
- Alignment of operations to strategic plans and objectives; and
- Organization-wide initiatives.

| FY 2021 Plans | Scheduled Audits | Total Hours Budgeted* |
|---|---|---|
| University of Iowa | 45 | 18,706 |
| Iowa State University | 15 | 6,382 |
| University of Northern Iowa | 2 | 1,736 |
| **Total** | **62** | **26,824** |

**FY 2021**
**Budgeted Hours**



Professional Development - 4%
Staff Meetings - 4.5%
Committee Participation - 3%
Administration - 14.5%
Audit Work - 74%

| Internal Audit Staff as of June 30, 2020 | | BOR | SUI | ISU | UNI | TOTAL |
|---|---|---|---|---|---|---|
| | Full-Time Professional Audit Positions | 1 | 10 | 4 | 1 | **16.0** |
| | Support Positions | .75 | 0 | 0 | 0 | **.75** |

Tables detailing FY 2021 Audit Plans and FY 2020 Audit Progress for each university are included in this document. Tables containing audits completed for the past four fiscal years may be found on the following pages.

**UNIVERSITY OF IOWA**
**Proposed Internal Audit Plan for FY 2021**

| Audits and Reviews | Hours | Percent |
|---|---|---|
| 340B Pharmacy Program | 250 | 1.3% |
| Anesthesia Carry Over | 75 | 0.4% |
| Budgeting Software Stratajazz | 250 | 1.3% |
| Central Sterilizing Services | 250 | 1.3% |
| Charge Master Maintenance Processes | 250 | 1.3% |
| College of Pharmacy Building Construction | 250 | 1.3% |
| Conflict of Interest Carry Over | 250 | 1.3% |
| Controlled Substance Management | 250 | 1.3% |
| Core Facilities | 250 | 1.3% |
| COVID-19 Billing | 250 | 1.3% |
| COVID-19 Pay Practices | 250 | 1.3% |
| Creative Writing | 250 | 1.3% |
| Equal Opportunity and Diversity | 250 | 1.3% |
| Fleet Services and Cambus | 250 | 1.3% |
| Health Care Stimulus Spending Compliance | 250 | 1.3% |
| Heart and Vascular Center Carry Over | 100 | 0.6% |
| Home Game Ticket Revenue FY20 Carry Over | 25 | 0.2% |
| Home Game Ticket Revenue FY21 | 100 | 0.6% |
| Hospital Admissions Process | 250 | 1.3% |
| Housing Violence Protocols | 250 | 1.3% |
| Hygienic Lab Tests of Public Health Significance | 250 | 1.3% |
| Iowa Advanced Technologies Laboratories (IATL) Building IT Support | 250 | 1.3% |
| Information Technology Services (ITS) Software Change Management | 250 | 1.3% |
| NCAA Compliance - Extra Benefits - Athletic Apparel and Equipment | 70 | 0.4% |
| NCAA Compliance - Financial Aid Administration | 130 | 0.7% |
| NCAA Compliance - Student-Athlete Employment | 40 | 0.3% |
| Office of Fraternity and Sorority Life Carry Over | 200 | 1.1% |
| Oracle Talent Acquisition Cloud (OTAC) | 250 | 1.3% |
| P3 Processes | 250 | 1.3% |
| Patient Transfer Processes | 250 | 1.3% |
| Payroll Feeder Systems | 250 | 1.3% |
| Qgenda | 250 | 1.3% |
| Remote Work Human Resources Practices | 300 | 1.7% |
| Remote Working Data Security and Equipment | 300 | 1.7% |
| Riskonnect System Carry Over | 40 | 0.3% |
| Server Support Team | 250 | 1.3% |
| Specialty Pharmacy Carry Over | 200 | 1.1% |
| Succession Planning | 250 | 1.3% |
| Telehealth Carry Over | 150 | 0.8% |
| Threat Assessment Carry Over | 200 | 1.1% |
| Title IX Carry Over | 12 | 0.1% |
| UI Pharmaceuticals | 250 | 1.3% |
| UIHS Encompass Health Venture | 250 | 1.3% |
| University Catering | 250 | 1.3% |
| University Counseling Carry Over | 200 | 1.1% |
| Annual Risk Assessment | 450 | 2.4% |
| EthicsPoint | 300 | 1.7% |
| Follow-Up Audits | 948 | 5.1% |
| Unallocated Hours | 2,806 | 15.1% |
| **Subtotal** | **13,896** | **74.2%** |
| **Other Audit Responsibilities** | **Hours** | **Percent** |
| Administration | 2,870 | 15.4% |
| Committee Participation | 450 | 2.4% |
| Performance Evaluations | 116 | 0.6% |
| Professional Development | 640 | 3.4% |
| Staff Meetings | 734 | 4.0% |
| **Subtotal** | **4,810** | **25.8%** |
| **Total** | **18,706** | **100.0%** |

**IOWA STATE UNIVERSITY**
**Proposed Internal Audit Plan for FY 2021**

| Audits and Reviews | Hours | Percent |
|---|---|---|
| Center for Agrigultural Law and Taxation | 250 | 3.9% |
| College of Veterinary Medicine Extension Operations | 250 | 3.9% |
| Department of Computer Science Carry Over | 150 | 2.4% |
| Department of English | 300 | 4.7% |
| Department of Geological and Atmospheric Sciences | 300 | 4.7% |
| Department of Horticulture | 250 | 3.9% |
| Department of Kinesiology | 300 | 4.7% |
| Department of Music and Theatre Carry Over | 60 | 0.9% |
| Expense Processing by Finance Improved Service Delivery | 300 | 4.7% |
| NCAA Compliance - Financial Aid Administration | 100 | 1.6% |
| NCAA Compliance - Playing and Practice Seasons | 75 | 1.2% |
| Reiman Gardens Carry Over | 60 | 0.9% |
| University Benefits | 300 | 4.7% |
| Workday Change Management | 300 | 4.7% |
| Workday Security Roles | 300 | 4.7% |
| Annual Risk Assessment and Audit Planning | 250 | 3.9% |
| Fraud and Special Investigations | 100 | 1.6% |
| Follow-up Audits | 290 | 4.5% |
| Unassigned/Unplanned | 1,014 | 15.9% |
| **Subtotal** | **4,949** | **77.5%** |
| **Other Audit Responsibilities** | **Hours** | **Percent** |
| Administration | 618 | 9.7% |
| Committee Participation | 150 | 2.4% |
| Performance Evaluations | 50 | 0.8% |
| Professional Development | 240 | 3.7% |
| Staff Meetings | 375 | 5.9% |
| **Subtotal** | **1,433** | **22.5%** |
| **Total** | **6,382** | **100.0%** |

**UNIVERSITY OF NORTHERN IOWA**
**Proposed Internal Audit Plan for FY 2021**

| Audits and Reviews | Hours | Percent |
|---|---|---|
| DOR Residence Hall Security | 200 | 11.5% |
| Vulnerability Scanning | 250 | 14.4% |
| Annual Risk Assessment | 225 | 13.0% |
| Follow-up Audits | 168 | 9.7% |
| Unassigned/Unplanned | 260 | 15.0% |
| **Subtotal** | **1,103** | **63.5%** |
| **Other Audit Responsibilities** | **Hours** | **Percent** |
| Administration | 325 | 18.7% |
| Committee Participation | 100 | 5.8% |
| Performance Evaluations | 8 | 0.5% |
| Professional Development | 70 | 4.0% |
| Staff Meetings | 130 | 7.5% |
| **Subtotal** | **633** | **36.5%** |
| **Total** | **1,736** | **100.0%** |

**UNIVERSITY OF IOWA**
**Audits Completed in the Past Four Fiscal Years**

| ORIGINAL REPORTS | FY17 | FY18 | FY19 | FY20 |
|---|---|---|---|---|
| Intercollegiate Athletics - Home Game Ticket Revenue | √ | √ | √ | √ |
| Admission and Transfer Center | √ | | | |
| Animal Research Compliance | | √ | | |
| Athletics | √ | | | |
| Benefits | √ | | | |
| BioVentures | | √ | | |
| Building Access Security | | | √ | |
| Campus Volunteers | | √ | | |
| Capital Assets Management | | √ | | |
| Center for Disabilities and Development | √ | | | |
| Cherwell System | | | √ | |
| Child Health Specialty Clinics | √ | | | |
| Clinical Staff Office | | | √ | |
| Cloud Computing | √ | | | |
| College of Dentistry Revenue Cycle | | | | √ |
| College of Education | √ | | | |
| College of Engineering | | | | √ |
| College of Engineering IT | √ | | | |
| Community Connect | √ | | | |
| Compliance and Qualifications System | √ | | | |
| Computer Management | | | √ | |
| Denial Management and Follow-up Processes | √ | | | |
| Department of Biology | | | | √ |
| Department of Chemistry | √ | | | |
| Department of Family Medicine | | √ | | |
| Department of Earth and Environmental Sciences | | | √ | |
| Department of Internal Medicine | | | √ | |
| Department of Neurology | √ | | | |
| Department of Public Safety Information Technology | | | √ | |
| Department of Radiology | | | √ | |
| Department of Surgery | | | | √ |
| Discharge Process | | | | √ |
| Division of Performing Arts | | √ | | |
| Division of Sponsored Programs | √ | | | |
| Division of Student Life | | √ | | |
| Durable Medical Equipment | | √ | | |
| Emergency Department | | | | √ |
| Emergency Preparedness | | √ | | |
| Environmental Health and Safety Office | | √ | | |
| Epic Willow Ambulatory System | √ | | | |
| Extra Compensation for Teaching Academic Courses | √ | | | |
| Facilities Management Bidding Processes | | | | √ |
| Grant Accounting | √ | | | |
| H-1B Immigration Processes | √ | | | |
| Hancher | √ | | | |
| Health Information Management | √ | | | |
| Holden Comprehensive Cancer Center and Infusion Suite | | | √ | |
| Hospital Late Charges | | √ | | |
| Hospital Supply Chain Management | √ | | | |
| Human Subjects Office, Institutional Review Board, and Other Review Committees | | | | √ |
| International Writing Program | √ | | | |
| Iowa Consortium for Substance Abuse | | | √ | |
| Iowa Electronic Markets | | | | √ |
| Iowa River Landing Procedure Billing | √ | | | |
| ITS Data Center Operations | | √ | | |
| Joint Office for Compliance | | √ | | |
| Mobile Device Encryption | √ | | | |

**UNIVERSITY OF IOWA**
**Audits Completed in the Past Four Fiscal Years**

| ORIGINAL REPORTS | FY17 | FY18 | FY19 | FY20 |
|---|---|---|---|---|
| NCAA Compliance - Camps and Clinics | | | | √ |
| NCAA Compliance - Coaching Staff Limits and Contracts | √ | | | |
| NCAA Compliance - Complimentary Admissions and Ticket Benefits | | | | √ |
| NCAA Compliance - Eligibility, Amateurism, and Academic Performance Program | | | | √ |
| NCAA Compliance - Extra Benefits - Equipment and Apparel | √ | | | |
| NCAA Compliance - Extra Benefits - Student-Athlete Vehicles | | √ | | |
| NCAA Compliance - Extra Benefits - Team Travel | √ | | | |
| NCAA Compliance - Financial Aid Administration | √ | | | |
| NCAA Compliance - Playing and Practice Seasons | | | √ | |
| NCAA Compliance - Recruiting On and Off Campus | | | √ | |
| NCAA Compliance - Representatives of the University's Athletic Interests | √ | | | |
| NCAA Compliance - Student-Athlete Employment | √ | | | |
| NCAA General Compliance | | | | √ |
| Obstetrics and Gynecology | | | | √ |
| Occupational Health | | √ | | |
| Office of Student Financial Aid | | √ | | |
| Office of the State Archaeologist | | | √ | |
| Off-site Medication Supply Chain | √ | | | |
| Orthopedics Department | | | | √ |
| Paciolan Ticket System | | | √ | |
| Parking | √ | | | |
| Payment Card Industry Compliance | | √ | | |
| Payroll | | | √ | |
| Pharmacy Inventory | | | | √ |
| Pharmacy Prior Authorizations | | | | √ |
| Ponseti International | | | √ | |
| Post-Acute Care | | | √ | |
| PrePaid Services | | | √ | |
| Protected Health Information on Mobile Devices | | √ | | |
| Rape Victim Advocacy Program | | | | √ |
| ReadySet System | √ | | | |
| Recreational Services | √ | | | |
| School of Social Work | | | √ | |
| Sleep Disorders Clinic | | | | √ |
| Stanley Museum of Art | | | √ | |
| State Hygienic Lab IT | | √ | | |
| Stead Family Children's Hospital Physical Security | | √ | | |
| Student-Athlete Academic Services | | | | √ |
| Student Disability Services | | √ | | |
| Telemedicine | | √ | | |
| UI Community HomeCare | | √ | | |
| UI Health Care Clinical Trial | √ | | | |
| UI Health Care Finance Inter-Organizational Transfers | | | √ | |
| UI Health Care Marketing and Communications | √ | | | |
| UI Health Care Operating Rooms | | | | √ |
| UI Health Care Outreach | √ | | | |
| UI Health Care Patient Access Center | | √ | | |
| UI Health Care Research Laboratory Information Technology Security | | | √ | |
| UI Health Care User Access | | √ | | |
| UI Health System Financial Management | √ | | | |
| UI Student Health and Wellness | | | √ | |
| UIHC Capital Management New Clinic Build | | √ | | |
| UIHC Charity Care | √ | | | |
| UIHC Environmental Services | | √ | | |
| UIHC Facility Preventative Maintenance | | | | √ |
| UIHC Health System Governance and Processes | √ | | | |
| UIHC Processed Stores | | | √ | |

**UNIVERSITY OF IOWA**
**Audits Completed in the Past Four Fiscal Years**

| ORIGINAL REPORTS | FY17 | FY18 | FY19 | FY20 |
|---|---|---|---|---|
| UIHC - The Java House Contract | | √ | | |
| UIHC Violence Protocols | | √ | | |
| Universal Workflow | √ | | | |
| University Billing Office | | | | √ |
| University Book Store | √ | | | |
| University of Iowa Diagnostic Laboratories Revenue Cycle | | | | √ |
| University of Iowa Hospitals and Clinics Emergency Management | | | √ | |
| University of Iowa Physicians | | √ | | |
| University of Iowa Research Foundation | √ | | | |
| University of Iowa Research Information Systems | | | √ | |
| User Access | √ | | | |
| Utilities Network | √ | | | |
| Volunteer Services | | √ | | |
| Vulnerability and Patch Management | | | | √ |
| Youth Programs | | | | √ |

**IOWA STATE UNIVERSITY**
**Audits Completed in the Past Four Fiscal Years**

| ORIGINAL REPORTS | FY17 | FY18 | FY19 | FY20 |
|---|---|---|---|---|
| Athletics Department Ticket Operations | | | √ | |
| Capital Project Payments | | √ | | |
| Center for Survey Statistics and Methodology | | | | √ |
| College of Human Sciences | | √ | | |
| Controlled Substances in Research Laboratories | | | | √ |
| CVIS and Vetstar | √ | | | |
| Department of Apparel, Events, and Hospitality Management | | | √ | |
| Department of Economics | √ | | | |
| Department of Human Development and Family Studies | √ | | | |
| Department of Natural Resource Ecology and Management | | | √ | |
| Department of Psychology | | | √ | |
| Department of Sociology | | | √ | |
| Disability Accomodations | | | | √ |
| Emergency Preparedness | | | √ | |
| Employee International Travel | | | √ | |
| Employment Verification and Background Checks | √ | | | |
| Extension and Outreach | | | | √ |
| Greenlee School of Journalism and Communication | | √ | | |
| ISU Dining - Cash Handling | √ | | | |
| ISU Flight Service and University-Owned Aircraft | √ | | | |
| NCAA Compliance - Academic Performance Program | √ | | | |
| NCAA Compliance - Camps and Clinics | | √ | | |
| NCAA Compliance - Extra Benefits | | | √ | |
| NCAA Compliance - Recruiting | √ | | | |
| NCAA Compliance - Student-Athlete Eligibility | | √ | | |
| Office of Intellectual Property and Technology Transfer | √ | | | |
| Office of Student Financial Aid Professional Judgement Reviews | | √ | | |
| Recreation Services | | √ | | |
| Roy J. Carver Dept of Biochemistry, Biophysics, and Molecular Biology | | √ | | |
| School of Education | √ | | | |
| Storage and Transportation of Weapons | √ | | | |
| Study Abroad Center | | | √ | |
| Thielen Student Health Center | | √ | | |
| Transportation Services | | | | √ |
| Veenker Memorial Golf Course | √ | | | |
| Veterinary Field Services | √ | | | |

**UNIVERSITY OF NORTHERN IOWA**
**Audits Completed in the Past Four Fiscal Years**

| ORIGINAL REPORTS | FY17 | FY18 | FY19 | FY20 |
|---|:---:|:---:|:---:|:---:|
| Academic Learning Center | | √ | | |
| ACH and Wire Transfer Processes | | | √ | |
| Active Directory | | | | √ |
| Arctic, Remote, and Cold Territories Interdisciplinary Center | √ | | | |
| Capital Assets | | √ | | |
| Career Services | √ | | | |
| Center for Business Growth and Development | √ | | | |
| College of Business Administration | | √ | | |
| College of Education | √ | | | |
| Compensated Effort | | √ | | |
| Environmental Health and Safety | | √ | | |
| Financial Aid and Special Circumstances | | | √ | |
| Institute for Decision Making | √ | | | |
| National Program for Playground Safety | | | | √ |
| Regents Center for Early Developmental Education | | √ | | |
| School of Music | | | √ | |
| Student Life and Event Services | √ | | | |
| Tall Grass Prairie Center | √ | | | |
| UNItix | | √ | | |
| University Relations | | | | √ |